



HEALTH QUARTERLY STATEMENT

AS OF MARCH 31, 2006
OF THE CONDITION AND AFFAIRS OF THE

MEMPHIS MANAGED CARE CORPORATION

NAIC Group Code 0000 , 2005 NAIC Company Code 00000 Employer's ID Number 621539163
(Current Period) (Prior Period)

Organized under the Laws of TENNESSEE, State of Domicile or Port of Entry Tennessee

Country of Domicile US

Licensed as business type:

Life Accident and Health <input type="checkbox"/>	Property/Casualty <input type="checkbox"/>	Hospital, Medical and Dental Service or Indemnity <input type="checkbox"/>
Dental Service Corporation <input type="checkbox"/>	Vision Service Corporation <input type="checkbox"/>	Other <input type="checkbox"/>
Health Maintenance Organization <input checked="" type="checkbox"/>	Is HMO Federally Qualified? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	

Incorporated July 7, 1993 Commenced Business January 1, 1994

Statutory Home Office 1407 Union Ave. Suite 200, Memphis, Tennessee 38104
(Street and Number, City or Town, State and Zip Code)

Main Administrative Office 1407 Union Ave. Suite 200, Memphis, Tennessee 38104 901-725-7100
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 1407 Union Ave. Suite 200, Memphis, Tennessee 38104
(Street and Number, City or Town, State and Zip Code)

Primary Location of Books and Records 1407 Union Ave. Suite 200, Memphis, Tennessee 38104
901-725-7100
(Street and Number, City or Town, State and Zip Code)
(Area Code) (Telephone Number)

Internet Website Address www.mmcc-tlc.com

Statutory Statement Contact Cheryll A. Miller 901-725-7100
cmiller@mmcc-tlc.com (Name)
(E-Mail Address)

Policyowners 1407 Union Ave. Suite 200, Memphis, Tennessee 38104
Relations
Contact and
Phone Number
(Street and Number, City or Town, State and Zip Code) 901-405-7802
901-725-7100
(Area Code) (Telephone Number) (Extension)

OFFICERS

1. AL KING (President)
2. BRUCE STEINHAUER, DR. (Secretary)

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

Jeff Brandon
Steven Burkett
Barry Fowler
Brenda Jetter
Al King
Veronica Mallett, Dr. #
Stuart Polly, Dr.
Andy Spooner, Dr.
Bruce Steinhauer, Dr.

State of Tennessee
County of SHELBY } SS

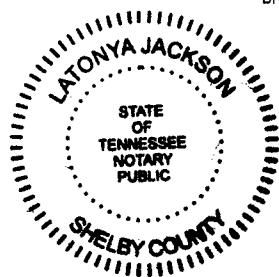
The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

AL KING
President

BRUCE STEINHAUER, DR.
Secretary

Subscribed and sworn to before me this
16 day of June, 2006

NOTARY PUBLIC (Seal)



a. Is this an original filing? Yes () No (X)

b. If no: 1. State the amendment number 1

2. Date filed June 15, 2006

3. Number of pages attached 30

STATEMENT AS OF MARCH 31, 2006 OF THE MEMPHIS MANAGED CARE CORPORATION

ASSETS

	Current Statement Date			4 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Col. 1 minus Col. 2)	
1. Bonds .....	.16,031,398		.16,031,398	.17,364,710
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)				
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ 3,906,240), cash equivalents (\$) and short-term investments (\$ ..... ) .....	.3,906,240		.3,906,240	.5,991,255
6. Contract loans (including \$ premium notes)	1,453,390		.1,453,390	
7. Other invested assets				
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Line 1 to Line 9) .....	.21,391,028		.21,391,028	.23,355,965
11. Title plants less \$ charged off (for Title insurers only)				
12. Investment income due and accrued .....	.136,563		.136,563	.165,141
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection				
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)				
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers				
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans				
16. 1 Current federal and foreign income tax recoverable and interest thereon				
16. 2 Net deferred tax asset				
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software .....	.626,767	.626,767		
19. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	.133,469	.133,469		
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates .....	.623,263	.3,000	.620,263	.563,933
22. Health care (\$) and other amounts receivable .....	.8,553,705		.8,553,705	.4,766,529
23. Aggregate write-ins for other than invested assets .....	.687,377	.687,377		
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 10 to Line 23) .....	.32,152,172	.1,450,613	.30,701,559	.28,851,568
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Totals (Line 24 and Line 25) .....	.32,152,172	.1,450,613	.30,701,559	.28,851,568
DETAILS OF WRITE-INS				
0901				
0902				
0903				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)				
2301. Prepaid Expenses .....	.597,377	.597,377		
2302. Provider Advances .....	.90,000	.90,000		
2303				
2398. Summary of remaining write-ins for Line 23 from overflow page .....	.687,377	.687,377		
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above) .....	.687,377	.687,377		

STATEMENT AS OF MARCH 31, 2006 OF THE MEMPHIS MANAGED CARE CORPORATION

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)				
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses				
4. Aggregate health policy reserves				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance				
9. General expenses due or accrued	2,108,079		2,108,079	2,313,261
10.1 Current federal and foreign income tax payable and interest thereon (including \$ realized gains (losses))	on			
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
13. Remittances and items not allocated				
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)				
15. Amounts due to parent, subsidiaries and affiliates				
16. Payable for securities				
17. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized reinsurers)				
18. Reinsurance in unauthorized companies				
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Liability for amounts held under uninsured plans				
21. Aggregate write-ins for other liabilities (including \$ current)				
22. Total liabilities (Line 1 to Line 21)	2,108,079		2,108,079	2,313,261
23. Aggregate write-ins for special surplus funds	XXX	XXX		
24. Common capital stock	XXX	XXX		
25. Preferred capital stock	XXX	XXX		
26. Gross paid in and contributed surplus	XXX	XXX	3,699,498	3,699,498
27. Surplus notes	XXX	XXX		
28. Aggregate write-ins for other than special surplus funds	XXX	XXX		
29. Unassigned funds (surplus)	XXX	XXX	24,893,982	22,838,810
30. Less treasury stock, at cost:				
30.1 shares common (value included in Line 24 \$)	XXX	XXX		
30.2 shares preferred (value included in Line 25 \$)	XXX	XXX		
31. Total capital and surplus (Line 23 to Line 29 minus Line 30)	XXX	XXX	28,593,480	26,538,308
32. Total Liabilities, capital and surplus (Line 22 and Line 31)	XXX	XXX	30,701,559	28,851,569
DETAILS OF WRITE-INS				
2101.				
2102.				
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page				
2199. Totals (Line 2101 through Line 2103 plus Line 2198) (Line 21 above)				
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX		
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)	XXX	XXX		
2801.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX		
2899. Totals (Line 2801 through Line 2803 plus Line 2898) (Line 28 above)	XXX	XXX		

STATEMENT AS OF MARCH 31, 2006 OF THE MEMPHIS MANAGED CARE CORPORATION

STATEMENT OF REVENUE AND EXPENSES

	Current Year to Date		Prior Year to Date
	1 Uncovered	2 Total	3 Total
	XXX	518,118	2,246,795
1. Member Months	XXX		
2. Net premium income (including \$non-health premium income)	XXX		
3. Change in unearned premium reserves and reserve for rate credits	XXX		
4. Fee-for-service (net of \$medical expenses)	XXX		
5. Risk revenue	XXX		
6. Aggregate write-ins for other health care related revenues	XXX		
7. Aggregate write-ins for other non-health revenues	XXX		
8. Total revenues (Line 2 to Line 7)	XXX		
Hospital and Medical:			
9. Hospital/medical benefits			
10. Other professional services			
11. Outside referrals			
12. Emergency room and out-of-area			
13. Prescription drugs			
14. Aggregate write-ins for other hospital and medical			
15. Incentive pool, withhold adjustments and bonus amounts			
16. Subtotal (Line 9 to Line 15)			
Less:			
17. Net reinsurance recoveries			
18. Total hospital and medical (Line 16 minus Line 17)			
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$cost containment expenses		586,656	2,688,754
21. General administrative expenses		(1,354,083)	(8,711,995)
22. Increase in reserves for life and accident and health contracts (including \$increase in reserves for life only)			
23. Total underwriting deductions (Line 18 through Line 22)		(767,427)	(6,023,241)
24. Net underwriting gain or (loss) (Line 8 minus Line 23)	XXX	767,427	6,023,241
25. Net investment income earned		308,255	864,208
26. Net realized capital gains (losses) less capital gains tax of \$			
27. Net investment gains (losses) (Line 25 plus Line 26)		308,255	864,208
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$)(amount charged off \$)]			
29. Aggregate write-ins for other income or expenses		42,840	1,085,237
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Line 24 plus Line 27 plus Line 28 plus Line 29)	XXX	1,118,522	7,972,686
31. Federal and foreign income taxes incurred	XXX		
32. Net income (loss) (Line 30 minus Line 31)	XXX	1,118,522	7,972,686
DETAILS OF WRITE-INS			
0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX		
0699. Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above)	XXX		
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX		
0799. Totals (Line 0701 through Line 0703 plus Line 0798) (Line 7 above)	XXX		
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above)			
2901. OTHER REVENUE		42,840	1,085,237
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page		42,840	1,085,237
2999. Totals (Line 2901 through Line 2903 plus Line 2998) (Line 29 above)		42,840	1,085,237

STATEMENT OF REVENUE AND EXPENSES (continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year to Date	2 Prior Year To Date	3 Prior Year
33. Capital and surplus prior reporting year	26,539,128	21,118,907	.....
34. Net income (loss) from Line 32	1,118,522	7,972,686	.....
35. Change in valuation basis of aggregate policy and claims reserves .....	.....	.....	.....
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....	.....	.....	.....
37. Change in net unrealized foreign exchange capital gain or (loss) .....	.....	.....	.....
38. Change in net deferred income tax .....	.....	.....	.....
39. Change in nonadmitted assets	(329,537)	447,535	.....
40. Change in unauthorized reinsurance .....	.....	.....	.....
41. Change in treasury stock .....	.....	.....	.....
42. Change in surplus notes .....	.....	.....	.....
43. Cumulative effect of changes in accounting principles .....	.....	.....	.....
44. Capital Changes:			
44.1 Paid in .....	.....	.....	.....
44.2 Transferred from surplus (Stock Dividend) .....	.....	.....	.....
44.3 Transferred to surplus .....	.....	.....	.....
45. Surplus adjustments:			
45.1 Paid in .....	.....	.....	.....
45.2 Transferred to capital (Stock Dividend) .....	.....	.....	.....
45.3 Tranferred from capital .....	.....	.....	.....
46. Dividends to stockholders .....	.....	(3,000,000)	.....
47. Aggregate write-ins for gains or (losses) in surplus	1,266,197	.....	.....
48. Net change in capital and surplus (Line 34 to Line 47)	2,055,182	5,420,221	.....
49. Capital and surplus end of reporting period (Line 33 plus Line 48)	28,594,310	26,539,128	.....
DETAILS OF WRITE-INS			
4701. Audit Adjustment	1,266,197	.....	.....
4702. .....	.....	.....	.....
4703. .....	.....	.....	.....
4798. Summary of remaining write-ins for Line 47 from overflow page .....	.....	.....	.....
4799. Totals (Line 4701 through Line 4703 plus Line 4798) (Line 47 above)	1,266,197	.....	.....

STATEMENT AS OF MARCH 31, 2006 OF THE MEMPHIS MANAGED CARE CORPORATION

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance		
2. Net investment income	171,692	864,208
3. Miscellaneous income		
4. Total (Line 1 through Line 3)	171,692	864,208
5. Benefit and loss related payments		
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts	(724,587)	3,773,991
7. Commissions, expenses paid and aggregate write-ins for deductions		
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) \$ net of tax on capital gains (losses)		
10. Total (Line 5 through Line9)	(724,587)	3,773,991
11. Net cash from operations (Line 4 minus Line 10)	896,279	(2,909,783)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds		
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Line 12.1 through Line 12.7)		
13. Cost of investments acquired (long-term only):		
13.1 Bonds		
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate	1,453,390	
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Line 13.1 through Line 13.6)	1,453,390	
14. Net increase or (decrease) in contract loans and premium notes		(1,971,582)
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(1,453,390)	1,971,582
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		3,699,498
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		(3,000,000)
16.6 Other cash provided (applied)	316,397	229,959
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	316,397	6,929,457
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(240,714)	5,991,256
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	5,991,256	
19.2 End of period (Line 18 plus Line 19.1)	5,750,542	5,991,256

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001		
20.0002		
20.0003		
20.0004		
20.0005		
20.0006		
20.0007		
20.0008		
20.0009		
20.0010		

STATEMENT AS OF MARCH 31, 2006 OF THE MEMPHIS MANAGED CARE CORPORATION

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total

NONE

UNDERWRITING AND INVESTMENT EXHIBIT**ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE**

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 plus 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)
2. Medicare Supplement
3. Dental only
4. Vision only
5. Federal Employees Health Benefits Plan
6. Title XVIII - Medicare
7. Title XIX - Medicaid
8. Other health
9. Health subtotal (Line 1 to Line 8)
10. Healthcare receivables (a)
11. Other non-health
12. Medical incentive pools and bonus amounts
13. Totals

(a) Excludes \$ loans or advances to providers not yet expensed.

NONE

NOTES TO FINANCIAL STATEMENTS

17C. Wash Sales

MMCC did not engage in any wash sales for the quarter.

Events subsequent to the end of the most recent fiscal year

MMCC has formed a wholly owned taxable subsidiary known as “Midsouth Health Solutions”. MMCC purchased from MHS 100% of the issued and outstanding common stock for \$1,500,000.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes () No (X)
- 1.2 If yes, has the report been filed with the domiciliary state? Yes () No ()
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes () No (X)
- 2.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
3. Have there been any substantial changes in the organizational chart since the prior quarter end?
If yes, complete the Schedule Y - Part 1 - organizational chart. Yes () No (X)
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes () No (X)
- 4.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....
.....

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes () No () N/A (X)
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 03/31/2001
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity.
This date should be the date of the examined balance sheet and not the date the report was completed or released. 10/31/2002
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity.
This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 10/31/2002
- 6.4 By what department or departments?
.....

- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes () No (X)
7.2 If yes, give full information
.....

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes () No (X)
8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes () No (X)
8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
.....
.....
.....

FINANCIAL

- 9.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes () No (X)
9.2 If yes, indicate the amounts receivable from parent included in the Page 2 amount: \$.....

GENERAL INTERROGATORIES (continued)

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted.)

INVESTMENT

10.1 Has there been any change in the reporting entity's own preferred or common stock?

Yes () No (X)

10.2 If yes, explain

.....

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person?
(Exclude securities under securities lending agreements.)

Yes () No (X)

11.2 If yes, give full and complete information relating thereto:

.....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$

13. Amount of real estate and mortgages held in short-term investments: \$

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes () No (X)

14.2 If yes, please complete the following:

	1 Prior Year-End Book/ Adjusted Carrying Value	2 Current Quarter Statement Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$	\$
14.24 Short-Term Investments	\$	\$
14.25 Mortgage Loans on Real Estate	\$	\$
14.26 All Other	\$	\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Line 14.21 to Line 14.26)	\$	\$
14.28 Total Investment in Parent included in Line 14.21 to Line 14.26 above	\$	\$

15.1 Has the reporting entity entered into any hedging transactions reported on schedule DB?

Yes () No (X)

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes () No (X)

If no, attach a description with this statement.

16. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes () No (X)

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
.....
.....
.....

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....
.....
.....

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?

Yes () No (X)

16.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....
.....
.....

16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
.....
.....
.....

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes () No (X)

17.2 If no, list exceptions:

.....

SCHEDULE A - VERIFICATION

Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December		
2. Increase (decrease) by adjustment		
3. Cost of acquired		
4. Cost of additions to and permanent improv		
5. Total profit (loss) on sales		
6. Increase (decrease) by foreign exchange		
7. Amount received on sales		
8. Book/adjusted carrying value at end of cur		
9. Total valuation allowance		
10. Subtotal (Line 8 plus Line 9)		
11. Total nonadmitted amounts		
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)		

NONE**SCHEDULE B - VERIFICATION**

Mortgage Loans

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year		
2. Amount loaned during period:		
2.1. Actual cost at time of acquisitions		
2.2. Additional investment made after a		
3. Accrual of discount and mortgage interest		
4. Increase (decrease) by adjustment		
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during t		
7. Amortization of premium		
8. Increase (decrease) by foreign exchange		
9. Book value/recorded investment excluding		
10. Total valuation allowance		
11. Subtotal (Line 9 plus Line 10)		
12. Total nonadmitted amounts		
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)		

SCHEDULE BA - VERIFICATION

Other Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year		
2. Cost of acquisitions during period:		
2.1. Actual cost at time of acquisitions	1,453,390	
2.2. Additional investment made after acquisitions		
3. Accrual of discount		
4. Increase (decrease) by adjustment		
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during the period		
7. Amortization of premium		
8. Increase (decrease) by foreign exchange adjustment	1,453,390	
9. Book/adjusted carrying value of long-term invested assets at end of current period		
10. Total valuation allowance	1,453,390	
11. Subtotal (Line 9 plus Line 10)	1,453,390	
12. Total nonadmitted amounts	1,453,390	
13. Statement value of long term invested assets at end of current period (Page 2, Line 7, Column 3)	1,453,390	

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	17,364,710	3,203,495
2. Cost of bonds and stocks acquired	654,130	17,358,313
3. Accrual of discount		
4. Increase (decrease) by adjustment		
5. Increase (decrease) by foreign exchange adjustment		
6. Total profit (loss) on disposal	(30,201)	
7. Consideration for bonds and stocks disposed of	1,969,990	3,197,098
8. Amortization of premium	(12,749)	
9. Book/adjusted carrying value, current period	16,031,398	17,364,710
10. Total valuation allowance	16,031,398	17,364,710
11. Subtotal (Line 9 plus Line 10)		
12. Total nonadmitted amounts		
13. Statement value	16,031,398	17,364,710

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity

During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1.....	.... 17,364,710	..... 654,130	.... 1,969,990	.... (17,452)	.... 16,031,398			.... 17,364,710
2. Class 2.....								
3. Class 3.....								
4. Class 4.....								
5. Class 5.....								
6. Class 6.....								
7. Total Bonds.....	.... 17,364,710	..... 654,130	.... 1,969,990	.... (17,452)	.... 16,031,398			.... 17,364,710
PREFERRED STOCK								
8. Class 1.....								
9. Class 2.....								
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....								
15. Total Bonds and Preferred Stock.....	.... 17,364,710	..... 654,130	.... 1,969,990	.... (17,452)	.... 16,031,398			.... 17,364,710

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
8299999 Totals		NONE			

SCHEDULE DA - PART 2 - VERIFICATION

Short-Term Investments Owned

	1 Year To Date	2 Prior Year Ended December 31
1. Book / adjusted carrying value, December 31 of prior year		
2. Cost of short-term investments acquired		
3. Increase (decrease) by adjustment		
4. Increase (decrease) by foreign exchange ac		
5. Total profit (loss) on disposal of short-term i		
6. Consideration received on disposal of short-t		
7. Book / adjusted carrying value, current perio		
8. Total valuation allowance		
9. Subtotal (Line 7 plus Line 8)		
10. Total nonadmitted amounts		
11. Statement value (Line 9 minus Line 10)		
12. Income collected during period		
13. Income earned during period		

NONE

SCHEDULE DB - PART F - SECTION 1

Replicated (Synthetic) Assets Open

Replicated (Synthetic) Asset					Components of the Replicated (Synthetic) Asset						
1 Replication RSAT Number	2 Description	3 NAIC Designation or Other Description	4 Statement Value	5 Fair Value	Derivative Instruments Open		Cash Instrument(s) Held				
					6 Description	7 Fair Value	8 CUSIP	9 Description	10 Statement Value	11 Fair Value	12 NAIC Designation or Other Description

NONE

SCHEDULE DB - PART F - SECTION 2

Reconciliation of Replicated (Synthetic) Assets Open

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year To Date	
	1 Number of Positions	2 Total Replicated (Synthetic) Assets Statement Value	3 Number of Positions	4 Total Replicated (Synthetic) Assets Statement Value	5 Number of Positions	6 Total Replicated (Synthetic) Assets Statement Value	7 Number of Positions	8 Total Replicated (Synthetic) Assets Statement Value	9 Number of Positions	10 Total Replicated (Synthetic) Assets Statement Value
1. Beginning Inventory										
2. Add: Opened or Acquired Transactions										
3. Add: Increases in Replicated Asset Statement Value	XXX						XXX		XXX	
4. Less: Closed or Disposed of Transactions										
5. Less: Positions Disposed of for Failing Effectiveness Criteria										
6. Less: Decreases in Replicated (Synthetic) Asset Statement Value	XXX						XXX		XXX	
7. Ending Inventory										

NONE

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Location	5 Is Insurer Authorized? (Yes or No)

NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed ? (Yes or No)	Direct Business Only Year to Date					
			3 Accident and Health Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	6 Federal Employees Health Benefits Program Premiums	7 Life and Annuity Premiums and Deposit-Type Contract Funds	8 Property/ Casualty Premiums
1. Alabama	AL							
2. Alaska	AK							
3. Arizona	AZ							
4. Arkansas	AR							
5. California	CA							
6. Colorado	CO							
7. Connecticut	CT							
8. Delaware	DE							
9. District of Columbia	DC							
10. Florida	FL							
11. Georgia	GA							
12. Hawaii	HI							
13. Idaho	ID							
14. Illinois	IL							
15. Indiana	IN							
16. Iowa	IA							
17. Kansas	KS							
18. Kentucky	KY							
19. Louisiana	LA							
20. Maine	ME							
21. Maryland	MD							
22. Massachusetts	MA							
23. Michigan	MI							
24. Minnesota	MN							
25. Mississippi	MS							
26. Missouri	MO							
27. Montana	MT							
28. Nebraska	NE							
29. Nevada	NV							
30. New Hampshire	NH							
31. New Jersey								
32. New Mexico								
33. New York								
34. North Carolina								
35. North Dakota								
36. Ohio								
37. Oklahoma								
38. Oregon								
39. Pennsylvania								
40. Rhode Island								
41. South Carolina	SC							
42. South Dakota	SD							
43. Tennessee	TN							
44. Texas	TX							
45. Utah	UT							
46. Vermont	VT							
47. Virginia	VA							
48. Washington	WA							
49. West Virginia	WV							
50. Wisconsin	WI							
51. Wyoming	WY							
52. American Samoa	AS							
53. Guam	GU							
54. Puerto Rico	PR							
55. U.S. Virgin Islands	VI							
56. Northern Mariana Islands	MP							
57. Canada	CN							
58. Aggregate Other Alien	OT	XXX	XXX					
59. Subtotal		XXX	XXX					
60. Reporting entity contributions for Employee Benefit Plans		XXX	XXX					
61. Total (Direct Business)		XXX	(a)					

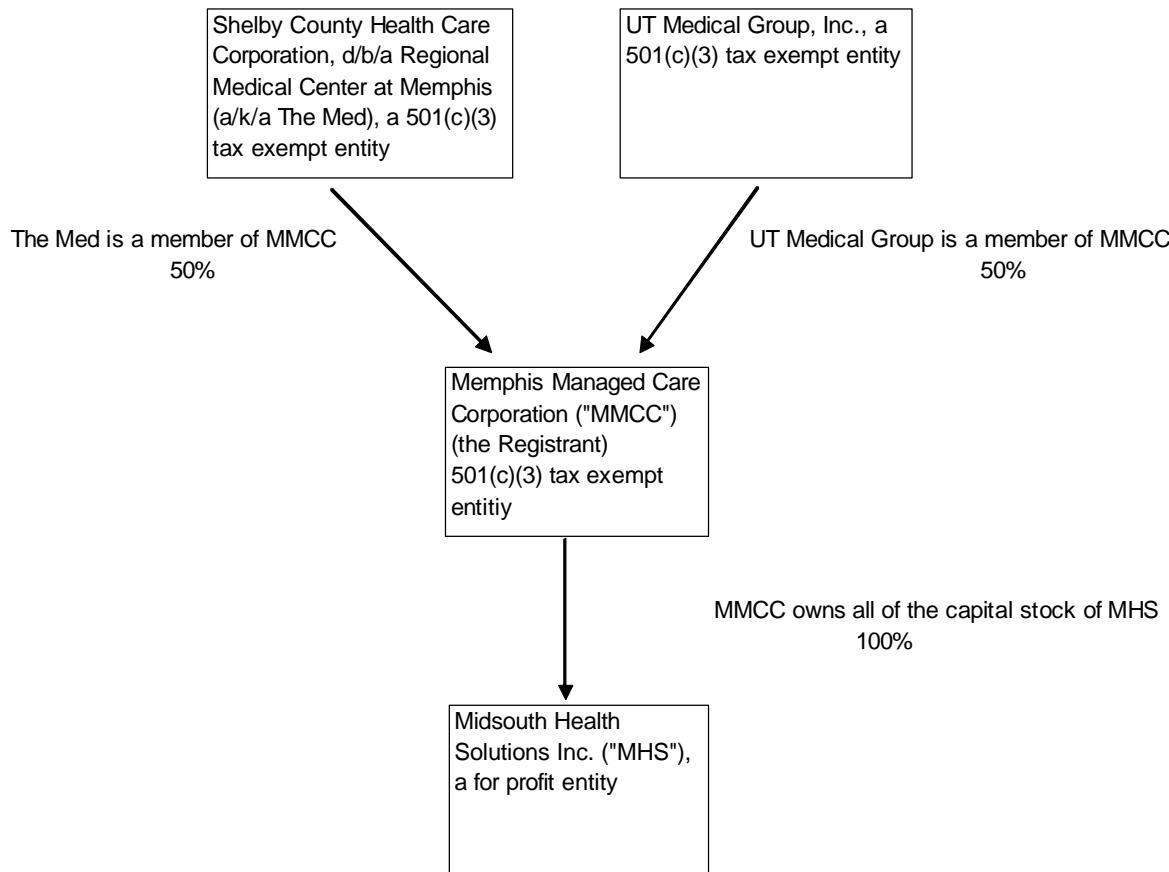
NONE**DETAILS OF WRITE-INS**

5801.
5802.
5803.
5898. Summary of remaining write-ins for Line 58 from overflow page.
5899. Total (Line 5801 through Line 5803 plus Line 5898) (Line 58 above)

(a) Insert the number of yes responses except for Canada and Other Alien.

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES
OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**

PART 1 - ORGANIZATIONAL CHART



STATEMENT AS OF MARCH 31, 2006 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE A - PART 2

Showing All Real Estate ACQUIRED During the Current Quarter

1 Description of Property	Location		4 Date Acquired	5 Name of Vendor	6 Actual Cost	7 Amount of Encumbrances	8 Book / Adjusted Carrying Value Less Encumbrances	9 Expended for Additions and Permanent Improvements
	2 City	3 State						

NONE

E01

SCHEDULE A - PART 3

Showing All Real Estate SOLD During the Quarter, Including Payments During the Final Year on "Sales under Contract"

1 Description of Property	Location		4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7 Increase (Decrease) by Adjustment	8 Increase (Decrease) by Foreign Exchange Adjustment	9 Expended for Additions, Permanent Improvements and Changes in Encumbrances	10 Book/Adjusted Carrying Value Less Encumbrances	11 Amounts Received	12 Foreign Exchange Profit (Loss) on Sale	13 Realized Profit (Loss) on Sale	14 Total Profit (Loss) on Sale	15 Gross Income Earned Less Interest Incurred on Encumbrances	16 Taxes, Repairs and Expenses Incurred
	2 City	3 State													

NONE

STATEMENT AS OF MARCH 31, 2006 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE B - PART 1

Showing All Mortgage Loans ACQUIRED during the Current Quarter

1 Loan Number	Location		4 Loan Type	5 Actual Cost	6 Date Acquired	7 Rate of Interest	8 Book Value/Recorded Investment Excluding Accrued Interest	9 Increase (Decrease) by Adjustment	10 Increase (Decrease) by Foreign Exchange Adjustment	11 Value of Land and Buildings	12 Date of Last Appraisal or Valuation
	2 City	3 State									

NONE

E02

SCHEDULE B - PART 2

Showing All Mortgage Loans SOLD, Transferred or Paid in Full During the Current Quarter

1 Loan Number	Location		4 Loan Type	5 Date Acquired	6 Book Value/Recorded Investment Excluding Accrued Interest Prior Year	7 Increase (Decrease) by Adjustment	8 Increase (Decrease) by Foreign Exchange Adjustment	9 Book Value/Recorded Investment Excluding Accrued Interest at Disposition	10 Consideration Received	11 Foreign Exchange Profit (Loss) on Sale	12 Realized Profit (Loss) on Sale	13 Total Profit (Loss) on Sale
	2 City	3 State										

NONE

STATEMENT AS OF MARCH 31, 2006 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets ACQUIRED During the Current Quarter

1 CUSIP Identification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Designation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost	10 Amount of Encumbrances	11 Book/Adjusted Carrying Value Less Encumbrances	12 Fair Value	13 Increase (Decrease) by Adjustment	14 Increase (Decrease) By Foreign Exchange Adjustment	15 Commitment for Additional Investment	16 Percentage of Ownership
		3 City	4 State												

NONE**SCHEDULE BA - PART 2**

Showing Other Long-Term Invested Assets SOLD, Transferred or Paid in Full During the Current Quarter

1 CUSIP Identification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Book/Adjusted Carrying Value Less Encumbrances Prior Year	8 Increase (Decrease) by Adjustment	9 Increase (Decrease) by Foreign Exchange Adjustment	10 Book/Adjusted Carrying Value less Encumbrances on Disposal	11 Consideration Received	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Investment Income
		3 City	4 State											

NONE

STATEMENT AS OF MARCH 31, 2006 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments									
912827-2J-0	U.S.TREASURY		03/01/2006	G.X.CLARKE AND COMPANY	101,406	100,000.00		259	
0399999	- Subtotal - Bonds - U.S. Governments				101,406	100,000.00		259	
Bonds - All Other Governments									
3133XC-MU-4	FEDERAL HOME LOAN BANK		02/21/2006	U.S. BANKCORP PIPER JAFFRAY	104,631	105,000.00		234	
3133XC-XA-6	FEDERAL HOME LOAN BANK		03/14/2006	FIRST TN BANK	49,875	50,000.00		1,078	
1099999	- Subtotal - Bonds - All Other Governments				154,506	155,000.00		1,312	
Bonds - Industrial and Miscellaneous (Unaffiliated)									
22541L-AD-5	CREDIT SUISSE FB USA		02/07/2006	ADP CLEARING SERVICES	100,937	100,000.00		1,789	
441812-JX-3	HOUSEHOLD FINANCE CORP		03/17/2006	SCOTT AND STRINGFELLOW INV. CORP	100,514	100,000.00		831	
244217-BH-7	JOHN DEERE CAPITAL CORP		02/07/2006	ADP CLEARING SERVICES	99,262	100,000.00		2,063	
717081-AK-9	PFIZER INC.		02/07/2006	SCOTT AND STRINGFELLOW INV. CORP	97,505	100,000.00		986	
4599999	- Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				398,218	400,000.00		5,669	
6099997	- Subtotal - Bonds - Part 3				654,130	655,000.00		7,240	
6099999	- Subtotal - Bonds				654,130	655,000.00		7,240	
7499999	- TOTALS				654,130			7,240	

STATEMENT AS OF MARCH 31, 2006 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of
by the Company During the Current Quarter

1 CUSIP Identifi- cation	2 Description	3 Foreign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change In Book/Adjusted Carrying Value					16 Book/Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Designa- tion or Market Indi- cator (a)		
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.									
Bonds - All Other Governments																							
3133MV-HK-2 FEDERAL HOME LOAN BANK	03/15/2006 SUNTRUST BANK				555,000	555,000.00	568,681	556,040		(1,040)		(1,040)			555,000					6,938	03/15/2006		
3133XA-WL-7 FEDERAL HOME LOAN BANK	03/01/2006 AMSOUTH BANK				100,000	100,000.00	100,000	100,000							100,000					1,057	03/01/2006		
313589-UW-1 FEDERAL NATIONAL MTG ASSN	03/29/2006 SUNTRUST BANK				489,990	500,000.00	489,990	497,109		(7,119)		(7,119)			489,990					10,010	03/29/2006		
3136F5-LZ-2 FEDERAL NATIONAL MTG ASSN	03/30/2006 SUNTRUST BANK				200,000	200,000.00	200,000	198,892		1,108		1,108			200,000					1,750	03/30/2006		
1099999 - Subtotal - Bonds - All Other Governments					1,344,990	1,355,000.00	1,358,671	1,352,041		(7,051)		(7,051)			1,344,990					19,755			
Bonds - Industrial and Miscellaneous (Unaffiliated)																							
073902-CB-2 BEAR STEARNS CO	03/30/2006 AMSOUTH				100,000	100,000.00	99,513	104,638		(4,635)		(4,635)			100,000					1,500	03/30/2006		
423328-BS-1 HELLER FINANCIAL INC	03/15/2006 AMSOUTH				100,000	100,000.00	103,026	100,568		(568)		(568)			100,000					3,188	03/15/2006		
441812-JT-2 HOUSEHOLD FINANCE CORP	01/24/2006 AMSOUTH				100,000	100,000.00	102,785	100,189		(189)		(189)			100,000					3,250	01/24/2006		
45974V-YY-8 INTERNATIONAL LEASE FINANCE	01/17/2006 AMSOUTH				125,000	125,000.00	125,671	125,033		(33)		(33)			125,000					1,278	01/17/2006		
86787E-AD-9 SUNTRUST BANK SER BKNT	01/30/2006 AMSOUTH				100,000	100,000.00	98,806	99,900		(100)		(100)			100,000					1,063	01/30/2006		
91159H-GH-7 U.S. BANKCORP SER N	03/30/2006 AMSOUTH				100,000	100,000.00	99,204	99,827		(173)		(173)			100,000					1,375	03/30/2006		
4599999 - Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					625,000	625,000.00	629,005	630,155		(5,698)		(5,698)			625,000					11,654			
6099997 - Subtotal - Bonds - Part 4					1,969,990	1,980,000.00	1,987,676	1,982,196		(12,749)		(12,749)			1,969,990					31,409			
6099999 - Subtotal - Bonds					1,969,990	1,980,000.00	1,987,676	1,982,196		(12,749)		(12,749)			1,969,990					31,409			
7499999 - TOTALS					1,969,990		1,987,676	1,982,196		(12,749)		(12,749)			1,969,990					31,409			

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues

STATEMENT AS OF MARCH 31, 2006 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors and Insurance Futures Options Owned at Current Statement Date

1 Description	2 Number of Contracts or Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price, Rate or Index	5 Date of Acquisition	6 Exchange or Counterparty	7 Cost/Option Premium	8 Book Value	9 *	10 Statement Value	11 Fair Value	12 Year to Date Increase/(Decrease) by Adjustment	13 Used to Adjust Basis of Hedged Item	14 Other Investment/ Miscellaneous Income
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NONE

E09

SCHEDULE DB - PART B - SECTION 1

Showing all Options, Caps, Floors and Insurance Futures Options Written and In-Force at Current Statement Date

1 Description	2 Number of Contracts or Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price, Rate or Index	5 Date of Issuance/ Purchase	6 Exchange or Counterparty	7 Consideration Received	8 Book Value	9 *	10 Statement Value	11 Fair Value	12 Year to Date Increase/(Decrease) by Adjustment	13 Used to Adjust Basis	14 Other Investment/ Miscellaneous Income
------------------	---	--	----------------------------------	---------------------------------	-------------------------------	-----------------------------	-----------------	--------	-----------------------	------------------	--	----------------------------	--

NONE

STATEMENT AS OF MARCH 31, 2006 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE DB - PART C - SECTION 1

Showing all Collar, Swap and Forwards Open at Current Statement Date

1 Description	2 Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price, Rate or Index Rec (Pay)	5 Date of Opening Position or Agreement	6 Exchange or Counterparty	7 Cost or (Consideration Received)	8 Book Value	9 *	10 Statement Value	11 Fair Value	12 Year to Date Increase (Decrease) by Adjustment	13 Used to Adjust Basis of Hedged Item	14 Other Investment/ Miscellaneous Income	15 Potential Exposure
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NONE

E07

SCHEDULE DB - PART D - SECTION 1

Showing all Futures Contracts and Insurance Futures Contracts at Current Statement Date

1 Description	2 Number of Contracts	3 Maturity Date	4 Original Value	5 Current Value	6 Variation Margin	7 Date of Opening Position	8 Exchange or Counterparty	9 Cash Deposit	Variation Margin Information			13 Potential Exposure
									10 Recognized	11 Used to Adjust Basis of Hedged Item	12 Deferred	

NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

Name	Location and Supplemental Information	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Book Balance at End of Each Month During Current Quarter			* 9
					6 First Month	7 Second Month	8 Third Month	
Open Depositories								
SUNTRUST	SUNTRUST BANK TN.-General Operating			115,397	115,397	115,282		
SUNTRUST	SUNTRUST BANK TN.-Investment			2,495,230	2,407,725	3,065,784		
AMSOUTH	AMSOUTH BANK TN.-General Operating			4,739,013	3,503,421	6,814,606		
AMSOUTH	AMSOUTH BANK TN.-Claims			(11,120,838)	(9,201,250)	(11,533,193)		
AMSOUTH	AMSOUTH BANK TN.-Payroll			913	4,787	5,285		
AMSOUTH	AMSOUTH BANK TN.-Escrow Cash			365,022	457,395	1,023,815		
AMSOUTH	AMSOUTH BANK TN.-Trust			6,426,880	4,183,629	4,414,061		
0199999 - TOTAL - Open Depositories				3,021,617	1,471,104	3,905,640		
0399999 - TOTAL Cash on Deposit				3,021,617	1,471,104	3,905,640		
0499999 - Cash in Company's Office				600	600	600		
0599999 - TOTALS				3,022,217	1,471,704	3,906,240		

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 CUSIP Identification	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due and Accrued	9 Gross Investment Income
------------------------------	------------------	-----------	--------------------	-----------------------	--------------------	--------------------------------------	--	---------------------------------

NONE

Report #2A: TENNCARE OPERATIONS STATEMENT OF REVENUES AND EXPENSES

	Current Year		Previous Year
	Current Period	Year to Date Total	Total
Member Months	518,118	518,118	2,246,795
REVENUES:			
1 TennCare Capitation	47,326,562	47,326,562	367,876,872
2 Investment	308,255	308,255	864,208
3 Other Revenue	(41,555)	(41,555)	43,358
4 Total Revenue	47,593,263	47,593,263	368,784,439
EXPENSES:			
Medical and Hospital Services			
5 Capitated Physician Services	3,461,197	3,461,197	12,205,478
6 Fee for Service Physician Services	3,104,821	3,104,821	93,556,322
7 Inpatient Hospital Services	19,025,370	19,025,370	90,584,074
8 Outpatient Services	372	372	138,972
9 Emergency Room Services	6,582,067	6,582,067	27,868,700
10 Mental Health Services	3,706	3,706	17,119
11 Dental Services	-	-	-
12 Vision Services	432,487	432,487	1,926,889
13 Pharmacy Services	-	-	2,511
14 Home Health Services	1,325,770	1,325,770	3,589,644
15 Chiropractic Services	-	-	-
16 Radiology Services	783,118	783,118	5,275,687
17 Laboratory Services	1,777,332	1,777,332	10,909,636
18 Durable Medical Equipment Services	89,625	89,625	928,798
19 Transportation Services	1,095,502	1,095,502	4,043,600
20 Outside Referrals	-	-	-
21 Medical incentive Pool and Withhold Adjustments	-	-	-
22 Occupancy Depreciation and Amortization	-	-	-
23 Other Medical and Hospital Services	4,380,028	4,380,028	80,912,940
24 Subtotal	42,061,396	42,061,396	331,960,371
25 Reinsurance Expense Net of Recoveries	-	-	1,190,059
LESS:			
26 Copayments	-	-	-
27 Subrogation			6,093
28 Coordination of Benefits			244
29 Subtotal	-	-	6,336
30 TOTAL MEDICAL AND HOSPITAL	42,061,396	42,061,396	333,144,093
Administration			
31 Compensation	2,223,202	2,223,202	9,881,839
32 Marketing	19,499	19,499	61,912
33 Interest Expense	92	92	-
34 Premium Tax Expense	-	-	11,245,609
35 Occupancy Depreciation and Amortization	133,289	133,289	858,581
36 Other Administration	1,983,618	1,983,618	7,995,175
37 TOTAL ADMINISTRATION	4,359,699	4,359,699	30,043,116
38 TOTAL EXPENSES	46,421,095	46,421,095	362,997,880
39 NET INCOME (LOSS)	1,172,168	1,172,168	8,188,759

STATEMENT AS OF March 31, 2006 OF THE MEMPHIS MANAGED CARE CORP.

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Non Admitted'	7 Admitted
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NONE

STATEMENT AS OF March 31, 2006 OF THE MEMPHIS MANAGED CARE CORP.

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Non Admitted'	7 Admitted
---------------------	------------------	-------------------	-------------------	-------------------	--------------------	---------------

Receivables Not Individually listed	16,334					16,334
Gross Health Care Receivables	16,334	-	-	-	-	16,334

STATEMENT AS OF March 31, 2006 OF THE MEMPHIS MANAGED CARE CORP.

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Non Admitted'	7 Admitted
Med-MRI	-	25,078.00	-	-	-	25,078.00
Medplex	-	-	-	3,000.00	3,000.00	-
The Health Loop	-	-	-	-	-	-
Midsouth Health Solutions	595,186.00	-	-	-	-	595,186.00
TOTAL gross amounts receivable	595,186.00	25,078.00	-	3,000.00	3,000.00	620,264.00